

BOARD OF COMMISSIONERS OF PUBLIC LANDS

GOVERNOR'S BUDGET RECOMMENDATIONS

| Source of Funds | FY03 Adjusted Base | FY04 Recommended | % Change Over FY03 | FY05 Recommended | % Change Over FY04 |
|-----------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|
| PR-F | 52,700 | 52,700 | 0.0 | 52,700 | 0.0 |
| PR-S | 1,371,400 | 1,407,700 | 2.6 | 1,407,700 | 0.0 |
| TOTAL | 1,424,100 | 1,460,400 | 2.5 | 1,460,400 | 0.0 |

FULL-TIME EQUIVALENT POSITION SUMMARY

| Source of Funds | FY03 Adjusted Base | FY04 Recommended | FTE Change From FY03 | FY05 Recommended | FTE Change From FY04 |
|-----------------|-----------------------|---------------------|-------------------------|---------------------|-------------------------|
| PR-S | 10.00 | 9.00 | -1.00 | 7.50 | -1.50 |
| TOTAL | 10.00 | 9.00 | -1.00 | 7.50 | -1.50 |

AGENCY DESCRIPTION

The board is Wisconsin's oldest state agency, created by Article X of the state constitution in 1848. The board is comprised of the Attorney General, State Treasurer and Secretary of State. It is a program revenue agency with revenues derived from loan and investment income. The board is supported by nine full-time staff. The board administers a municipal loan program and has land management responsibilities for trust lands.

MISSION

The primary mission of the board is to invest the principal of four trust funds that currently total over \$510 million and manage, primarily for timber production, approximately 80,000 acres of trust lands. The board operates the State Trust Fund Loan Program that had loans to school districts and municipalities totaling \$219,882,547 as of June 30, 2002. Interest earned from loans and cash deposits support the program activities of the board. The remainder is distributed to common schools for support of school media centers and to the University of Wisconsin System. Over \$46.1 million was distributed in the 2001-03 biennium to support these activities.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Trust Lands and Investments

Goal: Reduce the amount of time required to post annual state trust fund loan payments.

Objective/Activity: Post all payments within 45 days after the close of the annual payment period, which is March 15 to April 1, instead of the current average of 90 days.

Goal: Ensure the efficient, accurate and timely timber scaling (measuring) and invoicing of all timber sales.

Objective/Activity: Reduce the number of hours required to scale timber and prepare invoices for timber sales by automating the process to allow data entry on-site.

PERFORMANCE MEASURES

HISTORICAL DATA

| Prog. No. | Performance Measure | Actual 2000 |
|-----------|--|-------------|
| 1. | Number of loans to post. | 746 |
| 1. | Days required to post. | 90 |
| 1. | Annual number of hours required to prepare scale tickets and invoices. | 200 |

Note: Based on fiscal year.

2001 AND 2002 GOALS AND ACTUALS

| Prog. No. | Performance Measure | Goal 2001 | Actual 2001 | Goal 2002 | Actual 2002 |
|-----------|--|-----------|-------------|-----------|-------------|
| 1. | Number of loans to post. | 846 | 846 | 950 | 950 |
| 1. | Days required to post. | 45 | 45 | 45 | 45 |
| 1. | Annual number of hours required to prepare scale tickets and invoices. | 140 | 130 | 100 | 90 |

Note: Based on fiscal year.

2003, 2004 AND 2005 GOALS

| Prog. No. | Performance Measure | Goal 2003 | Goal 2004 | Goal 2005 |
|-----------|--|-----------|-----------|-----------|
| 1. | Number of loans to post. | 1,050 | 1,050 | 1,050 |
| 1. | Days required to post. | 30 | 30 | 25 |
| 1. | Annual number of hours required to prepare scale tickets and invoices. | 80 | 70 | 65 |

Note: Based on fiscal year.

BOARD OF COMMISSIONERS OF PUBLIC LANDS

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Budget Efficiency Measures
2. Expansion of Investment Authority
3. Standard Budget Adjustments

ITEMS NOT APPROVED

4. Increase Office Space

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

| | ACTUAL FY02 | ADJUSTED BASE FY03 | AGENCY REQUEST | | GOVERNOR'S RECOMMENDATION | |
|---------------------|----------------|--------------------------|----------------|---------|------------------------------|---------|
| | | | FY04 | FY05 | FY04 | FY05 |
| FEDERAL REVENUE (1) | | \$52.7 | \$52.7 | \$52.7 | \$52.7 | \$52.7 |
| Local Assistance | | 52.7 | 52.7 | 52.7 | 52.7 | 52.7 |
| PROGRAM REVENUE (2) | 1,386.9 | 1,371.4 | 1,443.6 | 1,443.6 | 1,407.7 | 1,407.7 |
| State Operations | 1,386.9 | 1,371.4 | 1,443.6 | 1,443.6 | 1,407.7 | 1,407.7 |
| TOTALS-ANNUAL | 1,386.9 | 1,424.1 | 1,496.3 | 1,496.3 | 1,460.4 | 1,460.4 |
| State Operations | 1,386.9 | 1,371.4 | 1,443.6 | 1,443.6 | 1,407.7 | 1,407.7 |
| Local Assistance | | 52.7 | 52.7 | 52.7 | 52.7 | 52.7 |

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

Table 2
Department Position Summary by Funding Source (in FTE positions) (4)

| | ADJUSTED BASE FY03 | AGENCY REQUEST | | GOVERNOR'S RECOMMENDATION | |
|---------------------|--------------------------|----------------|------|------------------------------|------|
| | | FY04 | FY05 | FY04 | FY05 |
| PROGRAM REVENUE (2) | 10.00 | 9.00 | 9.00 | 9.00 | 7.50 |
| TOTALS-ANNUAL | 10.00 | 9.00 | 9.00 | 9.00 | 7.50 |

(2) Includes Program Revenue-Service and Program Revenue-Other

(4) All positions are State Operations unless otherwise specified

Table 3
Department Budget Summary by Program (in thousands of dollars)

| | ACTUAL FY02 | ADJUSTED BASE FY03 | AGENCY REQUEST | | GOVERNOR'S RECOMMENDATION | |
|--------------------------------|----------------|--------------------------|----------------|-----------|------------------------------|-----------|
| | | | FY04 | FY05 | FY04 | FY05 |
| 1. Trust lands and investments | \$1,386.9 | \$1,424.1 | \$1,496.3 | \$1,496.3 | \$1,460.4 | \$1,460.4 |
| TOTALS | 1,386.9 | 1,424.1 | 1,496.3 | 1,496.3 | 1,460.4 | 1,460.4 |

Table 4
Department Position Summary by Program (in FTE positions) (4)

| | ADJUSTED BASE FY03 | AGENCY REQUEST | | GOVERNOR'S RECOMMENDATION | |
|--------------------------------|--------------------------|----------------|------|------------------------------|------|
| | | FY04 | FY05 | FY04 | FY05 |
| 1. Trust lands and investments | 10.00 | 9.00 | 9.00 | 9.00 | 7.50 |
| TOTALS | 10.00 | 9.00 | 9.00 | 9.00 | 7.50 |

(4) All positions are State Operations unless otherwise specified

1. Budget Efficiency Measures

| Source of Funds | Agency Request | | | | Governor's Recommendation | | | |
|-----------------|----------------|-----------|---------|-----------|---------------------------|-----------|---------|-----------|
| | FY04 | | FY05 | | FY04 | | FY05 | |
| | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions |
| PR-S | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | -1.50 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | -1.50 |

The Governor recommends reducing position authority in the board's state operations appropriation in the amount shown to create additional operational efficiencies.

2. Expansion of Investment Authority

The Governor recommends authorizing the board to invest its trust funds with the State of Wisconsin Investment Board and to purchase land at the Governor's request. This additional authority would increase the diversification and optimization of fund investments and improve the board's ability to make loans and grants to municipalities, school districts and the University of Wisconsin. Land purchases would be coordinated with other land acquisition programs, such as the Warren Knowles-Gaylord Nelson Stewardship 2000 Program.

3. Standard Budget Adjustments

| Source of Funds | Agency Request | | | | Governor's Recommendation | | | |
|-----------------|----------------|-----------|---------|-----------|---------------------------|-----------|---------|-----------|
| | FY04 | | FY05 | | FY04 | | FY05 | |
| | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions |
| PR-S | 49,800 | -1.00 | 49,800 | -1.00 | 36,300 | -1.00 | 36,300 | -1.00 |
| TOTAL | 49,800 | -1.00 | 49,800 | -1.00 | 36,300 | -1.00 | 36,300 | -1.00 |

The Governor recommends adjusting the board's base budget for: (a) removal of noncontinuing elements from the base (-\$8,200 and -1.0 FTE position in each year); (b) full funding of continuing position salaries and fringe benefits (\$42,000 in each year); and (c) fifth week of vacation as cash (\$2,500 in each year).

ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Board of Commissioners of Public Lands.

| Decision Item | Source of Funds | FY04 | | FY05 | |
|-----------------------------|-----------------|---------|-----------|---------|-----------|
| | | Dollars | Positions | Dollars | Positions |
| 4. Increase Office Space | PR-S | 22,400 | 0.00 | 22,400 | 0.00 |
| TOTAL OF ITEMS NOT APPROVED | PR-S | 22,400 | 0.00 | 22,400 | 0.00 |